



News Tracker:

-Outside of the Northeast, natural gas spot prices fell at most trading locations during the Report Week (Wednesday, January 6, to Wednesday, January 13). The Henry Hub spot price fell from \$2.35 per million British thermal unit (MMBtu) to open the Report Week to \$2.30/MMBtu on January 13.

-At the New York Mercantile Exchange (Nymex), the price of the near-month (February 2016) natural gas futures contract rose by less than a penny, from \$2.267/MMBtu to \$2.269/MMBtu to open and close the Report Week, respectively.

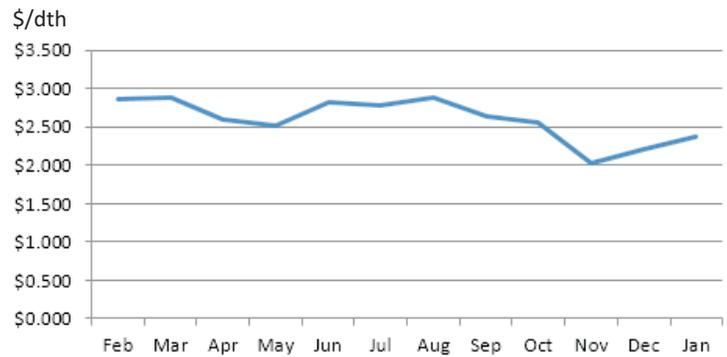
-Net storage withdrawals are smaller than the five-year average and last year's withdrawals. The net withdrawal for the storage week was 168 Bcf compared with the 113 Bcf net storage withdrawal reported the previous week. This withdrawal compares with the five-year (2011-15) average net withdrawal of 178 Bcf for the week and last year's withdrawal of 220 Bcf for the same week. The working natural gas inventory for the storage week ending January 8 totaled 3,475 Bcf, which was 587 Bcf (20%) higher than last year at this time and 474 Bcf (16%) higher than the five-year average for this week. Temperatures in the Lower 48 states averaged 34°F for the storage report week, 1°F warmer than the 30-year normal temperature and 2°F warmer than the average temperature during the same week last year.

-The total oil and natural gas rig count declined by 34 units this week, with 664 units in service for the week ending Friday, January 8, according to data from Baker Hughes Incorporated. The oil rig count decreased by 20 units to 516, and the natural gas rig count fell by 14 units to 148. The oil and natural gas rig count has not been this low since August 1999.

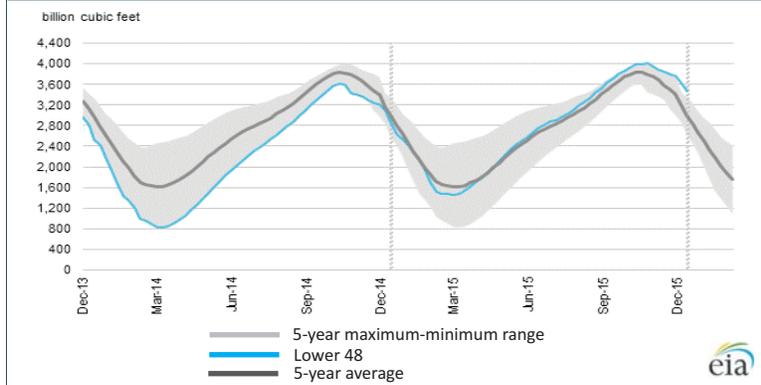
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 0.7% to \$4.18/MMBtu for the week ending Friday, January 8. The prices of ethane and butane increased by 3.6% and 0.5%, respectively. The natural gasoline price fell by 5.0%, isobutane fell by 0.4%, and the propane price fell by 0.2%.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Feb 2015 - Jan 2016:



Working nat. gas in underground storage as of January 8, 2016



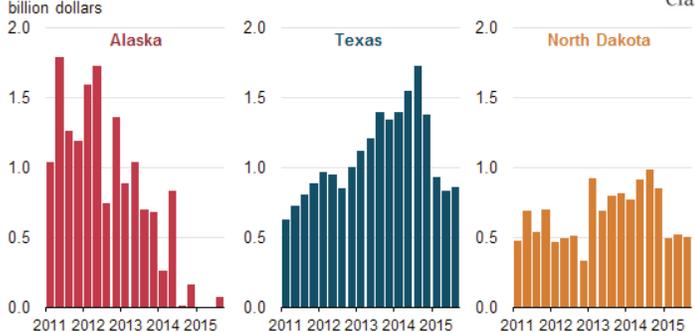
Forward 12-month NYMEX natural gas strip price - Feb16-Jan17:

Process Load-weighted \$2.579/dth (w/w = -\$0.078)
 Typical Heat Load-weighted \$2.573/dth (w/w = -\$0.085)

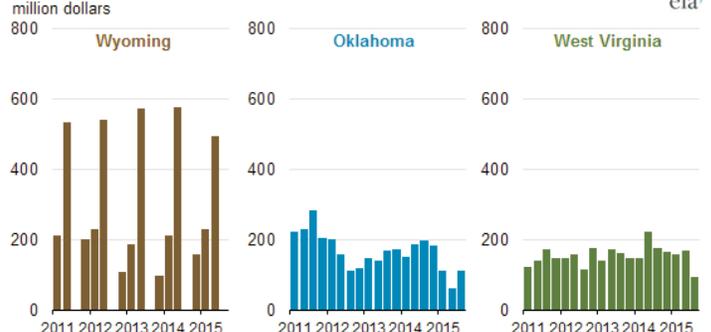
State severance tax revenues decline as fossil fuel prices drop:

Several states that collect significant revenue from severance taxes on fossil fuel extraction are re-evaluating current and upcoming operating budgets and taxation structures to address revenue shortfalls. Severance taxes are often imposed on the extraction of nonrenewable resources such as crude oil, natural gas, and coal. Lower fossil fuel prices, and in some cases, lower production, have led to lower severance tax receipts than were expected when revenue estimates were developed. As shown below, six states strongly affected by this budget squeeze are Alaska, Texas, North Dakota, Wyoming, Oklahoma, and West Virginia.

Quarterly severance tax revenues (Q1 2011 - Q3 2015)



Quarterly severance tax revenues (Q1 2011 - Q3 2015)



“Real liberty is neither found in despotism or the extremes of democracy, but in moderate governments.” -Alexander Hamilton